

## **Exhibit F-1 Fiscal Agent Duties**

The Fiscal Agent's duties include the following:

1. Establish the necessary ORCA Accounts in a bank that meets the public depository requirements of RCW 39.58 and open and close such accounts as it deems necessary for the operation of ORCA. The list of ORCA Accounts is contained in **Exhibit F-2**.
2. Hold ORCA funds as "Fiscal Agent for the Regional Fare Coordination System," and authorize the RFC Contractor to transfer funds among the ORCA Accounts and the Agencies' individual Settlement Accounts, in accordance with the settlement rules established by the Agencies.
3. Invest funds in accordance with the investment policy established by the Joint Board from time to time; provided, however, that the Agencies hereby agree that the Fiscal Agent is authorized to net the Fiscal Agent Fee and banking fees related to the ORCA Accounts against the interest income received in the ORCA Accounts. From time to time the Fiscal Agent may make recommendations to the Joint Board regarding the investment policy.
4. Disburse funds from a central payment account as directed by the Regional Program Administrator to pay invoices of the RFC Contractor, other regional contractors and the providers of Regional Support Services.
5. Create a general ledger for ORCA that is segregated from the general ledger that is maintained by the Agency serving as Fiscal Agent.
6. Provide to the Joint Board a monthly statement of net assets and statement of changes in net assets for ORCA, prepared on a basis consistent with U.S. generally accepted accounting principles (GAAP).
7. Engage a third party accounting firm to perform and provide an annual audit of the ORCA financial statements which shall include the required reporting and auditor communications to the Joint Board under U.S. generally accepted auditing standards (GAAS).
8. Prepare and provide other information or reports at the request of the Joint Board, the Operations Manager, the Regional Program Administrator, or an Agency in the manner mutually agreed to between the Fiscal Agent and the requestor and other reports as the Fiscal Agent may reasonably provide at its discretion.
9. Review daily settlement reports from the RFC Contractor before and after the settlement occurs and monitor the ORCA Accounts to verify that funds were directed in accordance with such RFC Contractor settlement reports. The Fiscal Agent shall review the information contained in the settlement reports for apparent errors and identify questions, aberrations from the norm and other issues, such as (1) a settlement out of balance; (2) an attempted settlement to a "suspense" or "exception" account; (3) an apparent error in the allocation of funds among the Agencies (such as allocations going to one or two agencies); or (4) a failure to obtain sufficient funds from a Retailer's account, and shall communicate

questions, aberrations from the norm, and other issues discovered in its review as follows:

- (a) If the Fiscal Agent identifies an issue prior to a daily transfer of funds, it shall contact the RFC Contractor to discuss the issue and seek any necessary adjustment before funds are transferred.
  - (b) If the Fiscal Agent identifies an issue after funds have been transferred, it shall promptly contact the RFC Contractor, the Operations Manager or the Regional Program Administrator (for Central Payments Account transfers), and the Agencies, as needed, to discuss the issue and effect any necessary adjustment.
  - (c) If there is a failure to obtain sufficient funds from a Retailer's account, the Fiscal Agent shall notify the Lead Agency and initiate an ACH transaction, via manual adjustment, to pull funds from the Lead Agency's settlement account in order to make the ORCA Account whole.
  - (d) If, in spite of active collection efforts, the Lead Agency is unable to collect from the Retailer within 120 days or in the event that a Retailer files for bankruptcy or goes out of business, the Retailer shall be considered in default. In the event of a Regional retailer default the cost of this default will be shared by all agencies. The amount owed by each agency will be determined by the current (at the time the account is declared to be in default) regional operating cost-sharing percentage per Section 9 and D-1. The Fiscal Agent will invoice each agency in the same manner as other regional operating expenses.
  - (e) Upon receipt of each agency's invoiced amount, the Fiscal Agent will transfer such funds to the Lead Agency's settlement account from which the NSF amount had been previously drawn.
  - (f) If the Lead Agency is subsequently able to recover any portion of the NSF, such recovered funds shall be turned over to Fiscal Agent who will distribute to each agency in the same ratio as was previously used for invoicing the NSF.
- 10. As provided more fully in Section 7.7, communicate directly with the RFC Contractor on the following matters: (i) changes in Agency bank accounts and/or ORCA Accounts, (ii) obtaining information from the RFC Contractor for the purpose of legal and financial reporting, (iii) implementing changes in the Fiscal Agent's financial accounting system resulting from changes in the law and/or changes in design or functionality of the ORCA Card, (iv) consulting with and receiving information from the RFC Contractor for purposes of creating an audit trail for all material events occurring as part of transactions involving transportation customers and (v) otherwise performing the Fiscal Agent's specific duties as described in this Exhibit F.
  - 11. Reconcile on a monthly basis the ORCA general ledger accounts and complete monthly bank statement reconciliations for the ORCA accounts.
  - 12. Review and process manual adjustments pursuant to the written notice of the RFC Contractor or the Agency Claims Committee (tbd) for any account including the unclaimed property account or the claims accounts.

13. Participate in the claim process established by the Joint Board and implement the decisions of the Joint Board regarding payment of claims.
14. Make recommendations to the Joint Board with regard to the RFC Contract and/or operation ORCA as a whole as the Fiscal Agent deems necessary to enable the Fiscal Agent to perform its duties under this Agreement.
15. Monitor the activity in the Retailer distributor accounts to determine if sufficient funds are available and bill each Agency its proportionate share of any determined insufficiency.
16. Submit annual budget to Joint Board for approval under time-frame directed by Joint Board.
17. Periodically provide to the Agencies a statement of assets, liabilities, resources, and expenditures under the ORCA System as required by the business rules adopted by the Joint Board.